

Article - Insurance

[\[Previous\]](#)[\[Next\]](#)

§19–209.1.

(a) An insurer that issues a policy of homeowner’s insurance that includes a deductible that is equal to a percentage of the “Coverage A – Dwelling Limit” of the policy, or has adopted an underwriting standard that requires a mandatory hurricane deductible equal to a percentage of the “Coverage A – Dwelling Limit” of the policy, shall provide an insured with a statement about the deductible at the time the policy of homeowner’s insurance is first issued and at each renewal.

(b) (1) The statement required under subsection (a) of this section shall:

- (i) be titled, in at least 12 point type, “Percentage Deductible Notice”;
- (ii) state the actual percentage of the percentage deductible;
- (iii) state the circumstances under which the deductible applies;
- (iv) include an example of how the deductible applies to a loss;

and

(v) include the following statement, or a substantially similar statement, in at least 10 point type:

“Your homeowner’s insurance policy contains a percentage deductible, which means that your deductible for a covered loss will be determined by multiplying the dollar amount of your Coverage A – Dwelling Limit of Liability by this percentage under the following circumstances: (insert explanation of circumstances under which a percentage deductible would be applied)”.

(2) The example required under paragraph (1)(iv) of this subsection may be provided in the following manner:

“If, at the time of a covered loss, a homeowner’s insurance policy’s Coverage A – Dwelling Limit of Liability is \$300,000 and the policy includes a 2% deductible, the policyholder will be responsible for paying a deductible of \$6,000 on a claim for a covered loss (\$300,000 x 2%). This means that, for example:

If the covered loss to the dwelling is \$25,000 and the covered loss to personal property is \$10,000 for a total covered loss of \$35,000, the policyholder is responsible for paying a \$6,000 deductible and the insurer is responsible for the balance of the covered loss, or \$29,000.

If the covered loss to the dwelling is \$5,000, the policyholder is responsible for paying the entire covered loss because the total amount of the covered loss is less than the percentage deductible, which is \$6,000.”.

(c) (1) An insurer may satisfy the requirements of subsection (b) of this section if, on the declarations page of the policy of homeowner’s insurance or in a separate statement, the insurer states:

- (i) the actual percentage of the percentage deductible;
- (ii) the dollar amount of the percentage deductible as it relates to the policy of homeowner’s insurance; and
- (iii) the circumstances under which the deductible applies.

(2) The statement shall be titled, in at least 12 point type, “Percentage Deductible Notice”.

(d) The statement required by this section may be delivered by electronic means if the insurer complies with the requirements of § 27–601.2 of this article.

[\[Previous\]](#)[\[Next\]](#)